

*PATENT APPEAL*  
Technology Center 2100

**APR 28 2006** Application No. 09/274,281  
Attorney Docket No.: 99-006

**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE****APPEAL BRIEF****Customer No. 22927**

Appellants: Jay S. Walker, Daniel E. Tedesco, Stephen C. Tulley, John M. Packes,  
Deirdre O'Shea, Keith Beiner, James A. Jorasch, Dean P. Alderucci,  
Magdalena Mik  
Application No.: 09/274,281  
Filed: March 22, 1999  
Title: METHOD AND APPARATUS FOR PROVIDING CROSS-BENEFITS  
VIA A CENTRAL AUTHORITY  
Attorney Docket No.: 99-006  
Group Art Unit: 2175  
Examiner: RIMELL, S.

**BOARD OF PATENT APPEALS  
AND INTERFERENCES**

Mail Stop: Appeal Brief  
Commissioner for Patents  
P. O. Box 1450  
Alexandria, VA 22313-1450

Appellants hereby appeal to the Board of Patent Appeals and Interferences from the decision of the Examiner in the Non-Final Office Action mailed July 27, 2005 (Paper No. 20050722), rejecting claims 13 - 30, 38, 41 - 43, 52, 53, 55 and 56.

PATENT APPEAL  
Technology Center 2100

Application No. 09/274,281  
Attorney Docket No.: 99-006

## TABLE OF CONTENTS

<b>REINSTATEMENT OF APPEAL .....</b>	4
<b>REAL PARTY IN INTEREST .....</b>	5
<b>RELATED APPEALS AND INTERFERENCES .....</b>	6
<b>STATUS OF CLAIMS .....</b>	7
<b>STATUS OF AMENDMENTS .....</b>	8
<b>SUMMARY OF CLAIMED SUBJECT MATTER.....</b>	9
<b>GROUNDS OF REJECTION TO BE REVIEWED ON APPEAL .....</b>	10
<b>ARGUMENT .....</b>	11
Summary of Arguments .....	11
Form of this Appeal Brief.....	11
1. Section 101—Non-Statutory Subject Matter.....	12
2. Section 112—Indefiniteness .....	14
2.1. The Standard of Definiteness.....	14
2.2. Claims 13-26 and 30 .....	14
2.3. Claims 27-29 .....	17
2.4. Claim 38.....	18
3. Section 102(e).....	20
3.1. Independent Claims.....	20
3.2. Advantages of the Claims .....	20
3.3. No Prima Facie Showing of Unpatentability .....	21
3.3.1. No showing that the references disclose or suggest receiving, <i>in response to the transmitted indication of the at least one item [that a customer is to purchase], an indication of an offer (or plurality of offers) for a subsidy from a vendor .....</i>	22
3.3.2. No showing that the references disclose or suggest receiving from the customer an acceptance of the offer .....	25
3.3.3. No showing that the references disclose or suggest charging the customer a second price for the at least one item, the second price being less than the total price.....	25
4. Section 103(a) .....	26
4.1. No Prima Facie Showing of Obviousness.....	26

PATENT APPEAL  
Technology Center 2100

Application No. 09/274,281  
Attorney Docket No.: 99-006

4.2. Official Notice was taken of the limitations of the claims.....	26
4.2.1. Substantial Evidence is Required of All Factual Findings .....	26
4.2.2. Absent Substantial Evidence, No Prima Facie Case Exists.....	27
4.2.3. There is no 'Official Notice' doctrine which overrules this need for substantial evidence support of a prima facie case.....	27
4.2.4. 'Official Notice' cannot be the basis for a rejection .....	27

**APPENDIX A: CLAIMS INVOLVED IN THE APPEAL****APPENDIX B: EVIDENCE <none>****APPENDIX C: RELATED PROCEEDINGS <none>**

PATENT APPEAL  
Technology Center 2100

Application No. 09/274,281  
Attorney Docket No.: 99-006

## REINSTATEMENT OF APPEAL

This Appeal Brief is being filed in response to the Examiner's re-opening of prosecution in the Office Action mailed July 27, 2005, following the Appeal Brief mailed April 14, 2004.

In the Office Action, the Examiner duplicated all of the previous rejections and did not address any of the arguments made by Appellants in the previous Appeal Brief. Accordingly, Appellants' previous arguments are repeated in this Appeal Brief.

In addition, the Examiner included a rejection of some method claims under 35 U.S.C. § 101 using an invalidated "technological arts" test. Those new rejections are addressed in this Appeal Brief.

PATENT APPEAL  
Technology Center 2100

Application No. 09/274,281  
Attorney Docket No.: 99-006

**REAL PARTY IN INTEREST**

The present application is assigned to Walker Digital, LLC, 1177 High Ridge Road, Stamford, CT 06905.

PATENT APPEAL  
Technology Center 2100

Application No. 09/274,281  
Attorney Docket No.: 99-006

**RELATED APPEALS AND INTERFERENCES**

Appellants are not aware of any appeals which might be considered to directly affect, be directly affected by or have a bearing on the Board's decision in the pending appeal.

*PATENT APPEAL*  
Technology Center 2100

Application No. 09/274,281  
Attorney Docket No.: 99-006

**STATUS OF CLAIMS**

Claims 13 - 30, 38, 41 - 43, 52, 53, 55 and 56 are pending, are rejected, and are being appealed.

Claims 1-12, 31-37, 39, 40, 44-51, 54, and 57-69 were cancelled.

*PATENT APPEAL*  
Technology Center 2100

Application No. 09/274,281  
Attorney Docket No.: 99-006

**STATUS OF AMENDMENTS**

No amendments were filed subsequent to the Non-Final Office Action mailed July 27, 2005.

PATENT APPEAL  
Technology Center 2100

Application No. 09/274,281  
Attorney Docket No.: 99-006

## SUMMARY OF CLAIMED SUBJECT MATTER

Generally, according to one aspect of the invention, a controller is in communication with a plurality of vendors that are servicing customers. The controller is also in communication with a plurality of "subsidizing" vendors which are seeking access to those customers. The controller receives, from a first vendor server, an indication of one or more items that a customer is to purchase. In response, the controller transmits, on behalf of a subsidizing vendor, an indication of an offer for a subsidy, such as a reduction in the customer's purchase price. [Present Application, Summary of the Invention, page 4, lines 4 - 10]

If the customer accepts the offer, then the controller provides (directly or indirectly) an amount of funds from the subsidizing vendor to the first vendor. The controller may retain a portion of the amount of funds as payment. [Present Application, Summary of the Invention, page 4, lines 11 - 13]

The controller also facilitates a transaction between the customer and the subsidizing vendor. For example, the customer may be required to sign up for a service (e.g. credit card account service) that is provided by the subsidizing vendor. The controller may facilitate this transaction by providing a form for entry of customer information. [Present Application, Summary of the Invention, page 4, lines 13 - 17]

In general, the presently claimed embodiments permit customers to benefit from the reduced price of his items, vendors to benefit by the increased sales and customer satisfaction, and the subsidizing vendors to benefit by the additional transaction, particularly the acquisition of a new customer in some embodiments.

By having the controller manage such a system by acting between subsidizing vendors and vendors that are servicing customers, a vendor need only communicate with the controller, rather than with a plurality of other vendors. Vendors likewise need only form one relationship with a central authority rather than with a plurality of other vendors. Furthermore, as new subsidizing vendors elect to participate, existing vendors automatically benefit from the new subsidies which may be possible. [Present Application, Summary of the Invention, page 4, lines 18 - 24]

PATENT APPEAL  
Technology Center 2100

Application No. 09/274,281  
Attorney Docket No.: 99-006

### **GROUNDS OF REJECTION TO BE REVIEWED ON APPEAL**

Claims 41-43, 52, 53, 55, and 56 stand rejected under 35 U.S.C. § 101 as being directed to non-statutory subject matter.

Claims 13 - 30 and 38 stand rejected under 35 U.S.C. § 112, paragraph 2 as being indefinite.

Claims 41 - 43, 52, 53, 55 and 56 stand rejected under 35 U.S.C. § 102(e) as being anticipated by Barnett (U.S. Patent No. 6,336,099).

Claim 38 stands rejected under 35 U.S.C. § 103(a) as being obvious in light of Barnett and officially noted subject matter without support in the record.

PATENT APPEAL  
Technology Center 2100

Application No. 09/274,281  
Attorney Docket No.: 99-006

## ARGUMENT

### Summary of Argument

First, the rejection of the claims as being directed to non-statutory subject matter is flawed because the Examiner relies solely on a test (whether or not a claim is "tied to a technological art") that has been expressly invalidated by the Board of Patent Appeals and Interferences. Ex parte Lundgren (BPAI 2005).

Second, the rejection of the claims for indefiniteness is flawed because it is clearly not asserted that the meaning of the claims is unclear or ambiguous. Instead, the rejection is merely an assertion that the claims read on more than one embodiment - i.e. the claims are broad.

Third, the rejection of the claims in light of the Barnett patent is flawed because Barnett completely lack any hint of:

*transmitting an indication of at least one item that a customer is to purchase, the at least one item having an associated total price*

OR

*receiving, in response to the transmitted indication of the at least one item, an indication of an offer for a subsidy from a vendor*

The Examiner has relied on a complete misinterpretation of Barnett in asserting that these limitations are disclosed by Barnett.

### Form of this Appeal Brief

In the arguments herein, limitations of the claims are indicated in *italics*, and the references of record are indicated by underlining.

In separate arguments of patentability of different Groups, Appellants have, where possible, referred to prior arguments to avoid undue repetition.

In the arguments below, Appellants refer to:

the "Office Action" (Office Action mailed July 27, 2005).

PATENT APPEAL  
Technology Center 2100

Application No. 09/274,281  
Attorney Docket No.: 99-006

## 1. Section 101—Non-Statutory Subject Matter

Claims 41–43, 52, 53, 55, and 56 are rejected under Section 101 for an alleged failure to recite statutory subject matter. The Examiner relies on a standard (whether a “part of the claimed invention is tied to a technological art”) that has been expressly invalidated by the Board of Patent Appeals and Interferences in a precedential decision. See *Ex parte Lundgren* (BPAI 2005).

The sole basis for rejecting all of the method claims appears to be the Examiner’s allegation that none of Claims 41–43, 52, 53, 55, and 56 is “tied to a technological art” or “can be accomplished by verbal interaction between a customer and a vendor” or “can be accomplished by mental steps or consulting written records.” [Office Action, pages 3–4].

For example, the Examiner finds, with respect to independent claim 41: “The first six paragraphs of claim 41 can be accomplished by verbal interaction between a customer and a vendor. The last step can be accomplished by giving the customer cash or a check. No part of the claimed invention is tied to a technological art.” [Office Action, page 3].

As explained by the Board of Patent Appeals and Interferences (BPAI) in the recent precedential opinion of *Ex parte Lundgren*, the purported requirement that all steps must be performed *per se* by use of a computer or other apparatus is *not* a proper basis for rejection. The Board expressly held that the alleged requirement that a claim must be “within the technological arts” has no legal basis:

Our determination is that there is currently no judicially recognized separate “technological arts” test to determine patent eligible subject matter under § 101. We decline to create one. Therefore, it is apparent that the examiner’s rejection can not be sustained.

*Ex parte Lundgren*, Appeal No. 2003-2088, 9 (BPAI Oct., 2005); emphasis added.

As in the present application, the examiner’s rejection under §101 in *Lundgren* was based solely on an alleged failure to be somehow “suggest “computer, automated means, apparatus of any kind” and as result having the claims be “outside the technological arts.” Accordingly, the Board reversed the §101 rejection.

Every one of Claims 41–43, 52, 53, 55, and 56 produces a useful, concrete and tangible result—i.e. is limited to a practical application. To the extent the Examiner has found otherwise, the Examiner’s sole basis is the alleged failure to be “tied to a technological art, environment or

PATENT APPEAL  
Technology Center 2100

Application No. 09/274,281  
Attorney Docket No.: 99-006

machine," to be capable of being practiced with "verbal interaction," or by "mental steps." None of these bases is a permissible grounds for rejection. The Examiner relies on the same and only basis that was expressly rejected by the Board in Lundgren – an alleged failure to comply with a legally baseless requirement to somehow involve a "technological art."

Accordingly, the Section 101 rejections of claims 39-72 should be reversed.

PATENT APPEAL  
Technology Center 2100

Application No. 09/274,281  
Attorney Docket No.: 99-006

## 2. Section 112—Indefiniteness

Claims 13 - 30 and 38 stand rejected under 35 U.S.C. § 112, paragraph 2 as being indefinite.

The claims rejected on this grounds do not stand or fall together. Different arguments of patentability are provided for different claims (or groups of claims) under the corresponding subheadings below.

### 2.1. The Standard of Definiteness

Indefiniteness is a question of law. Personalized Media Communications, LLC v. International Trade Comm'n, 161 F.3d 696, 702, 48 U.S.P.Q.2D 1880, 1886 (Fed. Cir. 1998).

Whether a claim is invalid for indefiniteness requires a determination of whether the claims at issue apprise one of ordinary skill in the art of their scope, or whether the bounds of the claims are so indeterminable as to be indefinite. Orthokinetics, Inc. v. Safety Travel Chairs, Inc., 806 F.2d 1565, 1576, 1 U.S.P.Q.2D 1081, 1088 (Fed. Cir. 1986).

The inquiry under section 112, paragraph 2, focuses on whether the claims, as interpreted in view of the written description, adequately perform their function of notifying the public of the scope of the patentee's right to exclude. Solomon v. Kimberly-Clark Corp., 216 F.3d 1372, 1379, 55 U.S.P.Q.2D 1279, 1283 (Fed. Cir. 2000).

### 2.2. Claims 13-26 and 30

Claim 13 is independent. Claims 14-26 and 30 depend on claim 13.

The sole basis for rejection of the claims of this Group is that claim 13 is believed to be indefinite.

As discussed below, the rejection of the claims of this Group is flawed because the Examiner has not made a *prima facie* case of indefiniteness of any claim of this Group.

13. *A method, comprising the steps of:*  
*receiving an indication of at least one item that a customer is to purchase from a first vendor via a web site;*

PATENT APPEAL  
Technology Center 2100

Application No. 09/274,281  
Attorney Docket No.: 99-006

*selecting a subsidy from a plurality of subsidies;  
transmitting, in response to the received indication of the at least one item, an indication of an offer for the subsidy from a second vendor, the step of transmitting an indication of the offer being performed before the at least one item is purchased;  
receiving an indication that that the customer accepts the offer;  
receiving a first amount of funds from the second vendor;  
providing a second amount of funds to the first vendor; and  
facilitating a transaction between the customer and the second vendor.*

The sole basis for rejection of the claims of this Group is that claim 13 is believed to be indefinite. Specifically, the Examiner asserts that:

"It is not clear if a relationship exists or does not exist between the 'first amount of funds' and 'second amount of funds'. This can be clarified by either reciting a relationship between the first amount of funds and the second amount of funds (i.e. 'the second amount of fund [sic] are [sic] derived from the first amount of funds') or by stating where the funds from the second vendor are being directed (i.e. 'receiving funds from the second vendor at the first vendor')."

Office Action, page 4.

In summary, the Examiner believes the claims to be indefinite solely because independent claim 13 leaves unclear the exact technique of how the second amount of funds are calculated. However, this has no bearing on the issue of definiteness. The scope of claim 13 is unambiguous.

The claims do not include any limitations that preclude certain relationships between the first amount and the second amount. Thus the claims cover any such relationship between the two amounts. Whether the claims are broad has no bearing on their definiteness.

The Examiner's rejection is quite similar to the rejection overturned by the Federal Circuit in *In re Warmerdam*, 33 F.3d 1354 (Fed. Cir. 1994). There, the Board of Patent Appeals and Interferences had rejected claim 5 as indefinite. Claim 5 (reproduced below)

5. A machine having a memory which contains data representing a bubble hierarchy generated by the method of any of Claims 1 through 4.

was believed indefinite because it did not explain "how a memory is made or produced by the steps of generating". *Id.* At 1361.

PATENT APPEAL  
Technology Center 2100

Application No. 09/274,281  
Attorney Docket No.: 99-006

The Federal Circuit reversed because explanatory detail is not required to make a claim definite.

"The Board's point, that the claim leaves unclear the technique of how the memory is configured with the data, has no bearing on this issue. The claim plainly covers all such techniques. Whether such a programmed machine is new, useful, unobvious, or otherwise patentable is not at issue in this appeal, and we express no opinion thereon. Accordingly, we conclude the Board erred in sustaining the rejection of claim 5 for indefiniteness."

Id.

By the same reasoning, pending independent claim 13 is not indefinite merely because it covers many embodiments representing different relationships between the two amounts of funds. The claims plainly cover all such embodiments, and thus are definite.

In conclusion, the Examiner has not set forth a *prima facie* case of indefiniteness of any of Claims 13-30. Accordingly, for at least those reasons, the indefiniteness rejections of Claims 13-30 should be withdrawn.

PATENT APPEAL  
Technology Center 2100

Application No. 09/274,281  
Attorney Docket No.: 99-006

### 2.3. Claims 27-29

Dependent claims 27 - 29 each depend on independent claim 13. Thus, claims 27 - 29 are patentable at least for all of the reasons discussed above with respect to Claims 13.

The sole basis for rejection of Claims 27-29 is that base claim 13 is believed to be indefinite.

In addition, the rejection of claim 27 - 29 fails because the limitations of these claims contradict the Examiner's assertion that the "relationship" between the *first amount* and *second amounts* is "unclear".

Each of the claims of this Group specifies a relationship between the first amount and the second amount.

27. The method of claim 13, further comprising:  
calculating the second amount of funds based on the first amount of funds.
28. The method of claim 13, in which the second amount of funds is based on a predetermined amount less than the first amount of funds.
29. The method of claim 13, in which the second amount of funds is based on a predetermined percentage of the first amount of funds.

The rejection of the claims of this Group is predicated solely on the assertion that, in the base claim (independent claim 13), "[i]t is not clear if a relationship exists or does not exist between the 'first amount of funds' and 'second amount of funds'." Office Action, page 4. There is no assertion that any of the dependent claims (including the claims of this Group) are indefinite for another reason.

However, each of Claims 27-29 clearly recites just such a relationship. Specifically, each claim clearly recites that the second amount of funds is somehow based on the first amount of funds.

Accordingly, the reasoning of the indefiniteness rejection cannot be applied to any of claims 27-29.

Accordingly, for at least those reasons, claims 27-29 have not been shown to be indefinite.

### *Group II*

PATENT APPEAL  
Technology Center 2100

Application No. 09/274,281  
Attorney Docket No.: 99-006

#### 2.4. Claim 38

Claim 38 recites the following limitations:

*charging the customer a second price for the at least one item, the second price being less than the total price;*

*in which the step of charging the customer the second price for the at least one item comprises:*

*charging the second price to an account; and*

*in which the step of charging comprises:*

*charging the total price to a credit card account*

The rejection of claim 38 for indefiniteness is not based on even the allegation that the claims are indefinite. Page 4 of the Office Action states:

"The last three steps of claim 38 calls [sic] for the charging of two different prices to a consumer account based upon a single transaction. As understood from the interview of May 7, 2002, this was a scenario where a user is charged the total price and subsequently granted a credit, having the net effect of charging the user a second price lower than the total price. Claim 38 can be clarified by indicating the second price is the result of the user having been granted a credit after being charged the first price."

In summary, the Examiner believes claim 38 to be indefinite solely because independent claim 38 leaves unclear the exact technique of how the second price is calculated. However, this has no bearing on the issue of definiteness. The scope of claim 38 is unambiguous.

The claims do not include any limitations that preclude certain sequences of charges. Thus the claims cover any such sequences of charges. Whether the claims are broad and cover several embodiments has no bearing on their definiteness.

By the same reasoning as discussed above with respect to Claim 13 and In re Warnerdam, pending claim 38 is not indefinite merely because it covers many embodiments representing different sequences of charges. Claim 38 plainly covers all such embodiments, and thus is definite.

PATENT APPEAL  
Technology Center 2100

Application No. 09/274,281  
Attorney Docket No.: 99-006

In conclusion, the Examiner has not set forth a *prima facie* case of indefiniteness of claim 38. Accordingly, for at least those reasons, the indefiniteness rejection of Claim 38 should be withdrawn.

PATENT APPEAL  
Technology Center 2100

Application No. 09/274,281  
Attorney Docket No.: 99-006

### 3. Section 102(e)

Claims 41 - 43, 52, 53, 55 and 56 are rejected only under Section 102(e) as anticipated by Barnett.

#### 3.1. Independent Claims

All of Claims 41 - 43, 52, 53, 55 and 56 include the following limitations:

*transmitting an indication of at least one item that a customer is to purchase, the at least one item having an associated total price*

*receiving, in response to the transmitted indication of the at least one item, an indication of an offer (or plurality of offers) for a subsidy from a vendor*

*providing to the customer, in response to the received indication of the offer, the offer (or offers) for the subsidy*

*the step of providing the offer(or offers) being performed before the item is purchased*

#### 3.2. Advantages of the Claims

The claimed embodiments allow a vendor to acquire a customer by essentially "intervening" in a sale between others. Such an intervening can benefit all parties. The customer is benefited by the reduced price of his items, the first vendor is benefited by the increased sales and customer satisfaction that such an arrangement would bring, and the second vendor is benefited by the additional transaction, particularly the acquisition of a new customer in one embodiment.

Further, this offer is presented to the customer at a very specific time, the offer is provided *before the item is purchased* but also after (in response to) there is *an indication of at least one item that a customer is to purchase*. This is a time when customers are very susceptible to offers. The customer is already definitely interested in purchasing the item, but has not yet spent the money to purchase the item. Thus, the customer is about to face the prospect of paying money, and would at that time be more receptive to an offer to reduce (or eliminate) the purchase price for that item. This is different from, e.g., coupons, which are not provided at this advantageous point in time.

PATENT APPEAL  
Technology Center 2100

Application No. 09/274,281  
Attorney Docket No.: 99-006

Further, by having the controller manage such a system by acting between subsidizing vendors and vendors that are servicing customers, a vendor need only communicate with the controller, rather than a plurality of other vendors. Vendors likewise need only form one relationship with a central authority rather than with a plurality of other vendors. Furthermore, as new subsidizing vendors elect to participate, existing vendors automatically benefit from the new subsidies which may be possible.

### 3.3. No Prima Facie Showing of Unpatentability

Upon considering the actual teachings of the cited references, it is apparent that the Examiner has not presented a *prima facie* case of obviousness of any claim of the Group.

#### Applicable Law

The Examiner bears the burden of establishing a *prima facie* case of obviousness based upon the prior art. *In re Fritch*, 972 F.2d 1260, 1265 (Fed. Cir. 1992). To reject claims in an application under section 103, an examiner must show an unrebutted *prima facie* case of obviousness. *In re Rouffet*, 149 F.3d 1350, 1355 (Fed. Cir. 1998). If examination at the initial stage does not produce a *prima facie* case of unpatentability, then without more the applicant is entitled to grant of the patent. *In re Oetiker*, 977 F.2d 1443, 1445 (Fed. Cir. 1992).

The factual predicates underlying an obviousness determination include the scope and content of the prior art, the differences between the prior art and the claimed invention, and the level of ordinary skill in the art. *In re Rouffet*, 149 F.3d 1350, 1355 (Fed. Cir. 1998). The secondary considerations are also essential components of the obviousness determination. *In re Rouffet*, 149 F.3d 1350, 1355 (Fed. Cir. 1998).

In order to rely on a reference as a basis for rejection of the applicant's invention, the reference must either be in the field of the applicant's endeavor or, if not, then be reasonably pertinent to the particular problem with which the inventor was concerned. *In re Oetiker*, 977 F.2d 1443, 1447 (Fed. Cir. 1992).

When a rejection is based on a combination of references, the Examiner can satisfy the *prima facie* burden only by showing some objective teaching leading to the purported combination of references. *In re Fritch*, 972 F.2d 1260, 1265 (Fed. Cir. 1992). Lacking a

PATENT APPEAL  
Technology Center 2100

Application No. 09/274,281  
Attorney Docket No.: 99-006

motivation to combine references, there is no *prima facie* case of obviousness. *In re Rouffet*, 149 F.3d 1350, 1358 (Fed. Cir. 1998).

Finally, during examination, claims are given their broadest reasonable interpretation consistent with the specification. *In re Hyatt*, 211 F.3d 1367 (Fed. Cir. 2000). The "PTO applies to verbiage of the proposed claims the broadest reasonable meaning of the words in their ordinary usage as they would be understood by one of ordinary skill in the art, taking into account whatever enlightenment by way of definitions or otherwise that may be afforded by the written description contained in applicant's specification." *In re Morris*, 127 F.3d 1048, 1054-55 (Fed. Cir. 1997).

**3.3.1. No showing that the references suggest receiving, in response to the transmitted indication of the at least one item [that a customer is to purchase], an indication of an offer (or plurality of offers) for a subsidy from a vendor**

In summary, the Examiner's interpretation of Barnett is not made clear in the Office Action. The most reasonable interpretation of the rejection is provided below. However, the completely dissimilar system of Barnett does not anticipate any pending claims.

On page 5 of the Office Action, the Examiner states that:

"Barnet et al. discloses the steps of transmitting an indication of at least one item that a customer intends to purchase, which is the step of transmitting user feedback data from the online service provider (2) or a retailer (10) to a coupon distributor (16).

In response to this transmitted indication, the online service provider (2) receives [an] indication of offers for subsidies, which are packages of coupons sent to the online service provider."

Thus, the most reasonable interpretation is that the Examiner has asserted that *the transmitted indication of the at least one item that a customer is to purchase*

is something (i.e. user feedback data) which the online service provider transmits to a retailer or coupon distributor in Barnett. Also, the claimed step of

*receiving, in response to the transmitted indication of the at least one item [that a customer is to purchase], an indication of an offer (or plurality of offers) for a subsidy from a vendor*

PATENT APPEAL  
Technology Center 2100

Application No. 09/274,281  
Attorney Docket No.: 99-006

is performed by the online service provider of Barnett, and *an indication of an offer* is a "package of coupons" of Barnett.

In other words, the online service provider performs the method of the claims. More specifically, the Examiner interprets the online service provider as performing the following step:

*receiving, in response to the transmitted indication of the at least one item [that a customer is to purchase], an indication of an offer for a subsidy (coupons) from a vendor*

It is unclear exactly what in Barnett corresponds to the claimed *indication of the at least one item that a customer is to purchase*. Although the Examiner asserts that this claim limitation is the "user feedback data" of Barnett, this term appears only once in FIG. 1. its meaning is thus ambiguous.

FIG. 1 of Barnett illustrates the online service provider 2 sending "user/feedback data" to the coupon distributor 16. No other occurrence of the word "feedback" exists in Barnett. However, Barnett clarifies what the online service provider 2 sends to the coupon distributor 16.

"The coupon distribution center 16 utilizes the user-specific redemption data along with user-specific demographic data supplied by the online service provider 2 in order to compile subsequent coupon data download packages for use by consumers once again."

Col. 7, lines 51 - 55.

From this description, it must be assumed that the Examiner believes that the claim limitation of *transmitting an indication of at least one item that a customer is to purchase* reads on Barnett's "redemption data" and / or "demographic data" sent by the online service provider 2.

Of course, "redemption data" cannot be involved because (i) redemption data indicates what coupons have already been redeemed, not *an item that a customer is to purchase*; and (ii) redemption data is sent from the retail store, not from the online service provider. See, e.g., col. 7, lines 12 - 21.

The remaining data, "demographic data ", can contain

"data representative of demographic inquiries presented to a user at the time that the user requests a download of coupon data from the coupon package data file 40, as well as data representative of the users' responses thereto."

Col. 8, lines 34 - 38. "Demographic data " can also contain

PATENT APPEAL  
Technology Center 2100

Application No. 09/274,281  
Attorney Docket No.: 99-006

"user-specific data, including coupons selected data, coupons deleted data, coupons printed data and user demographics, as will be described below, for subsequent transmission to a coupon distributor 16."

Col. 6, lines 58 - 65.

The online service provider transmits the demographic data to the coupon distributor 16. for example:

"The online service provider also stores in a demographic data file 42 user-specific data, including coupons selected data, coupons deleted data, coupons printed data and user demographics, as will be described below, for subsequent transmission to a coupon distributor 16. The coupon distributor 16 will utilize the user-specific data and coupon redemption data in compiling subsequent coupon packages targeted specifically at certain user categories."

Col. 6, lines 58 - 65

and

"The coupon distribution center 16 utilizes the user-specific redemption data along with user-specific demographic data supplied by the online service provider 2 in order to compile subsequent coupon data download packages for use by consumers once again."

Col. 7, lines 51 - 55.

However, the online service provider does not receive anything at all "*in response to the transmitted indication of the at least one item*" (demographic data). More specifically, the *indication of an offer for a subsidy from a vendor* (coupon) is not received *in response to the transmitted indication of the at least one item*.

In fact, Barnett is silent as to when the online service provider receives coupon data. There is no suggestion that the coupon data is received *in response to* anything, much less *in response to the transmitted indication of the at least one item*. Thus, Barnett cannot dynamically react to such indications of items customers are to purchase.

PATENT APPEAL  
Technology Center 2100

Application No. 09/274,281  
Attorney Docket No.: 99-006

**3.3.2. No showing that the references suggest receiving from the customer an acceptance of the offer**

In summary, the Examiner's interpretation of Barnett is further strained by the attempt to cover the step of *receiving from the customer an acceptance of the offer*.

The Office Action does not indicate exactly what the *offer* of the claims is under the proposed interpretation of Barnett. However, on page 5 of the Office Action the Examiner indicates that "the customer then accepts the offer by using the coupon in a retail store". Thus, the Examiner apparently proposes that the retailer or coupon distributor 16 somehow *receives from the customer an acceptance of the offer*.

However, the description in Section 3.3.1 above describes how the Examiner's interpretation of Barnett requires the claimed method to be performed by the online service provider of Barnett. In Barnett, the online service provider is not involved in redemption of coupons. Only the retailer partakes in the redemption of the coupons. The coupon distributor 16 also receives coupon redemption data. See, e.g., Col. 6, lines 62 - 65 and Col. 7, lines 51 - 55.

Since the online service provider does not receive any *acceptance of any offer*, the Examiner's interpretation of Barnett necessarily changes in midstream in an attempt to cover different steps of the claimed method.

**3.3.3. No showing that the references suggest charging the customer a second price for the at least one item, the second price being less than the total price**

In a manner similar to that discussed above in Section 3.3.2, the rejection relies on a shifting interpretation of Barnett in order to cover various disparate limitations that are clearly not suggested by Barnett. Specifically, the step of *charging the customer a second price for the at least one item, the second price being less than the total price* is not performed by the retailer, not the online service provider.

As discussed in Section 3.3.1 above, the Examiner's interpretation of Barnett requires the claimed method to be performed by the online service provider of Barnett. Nevertheless, the "*charging the customer*" in Barnett is performed by the retailer, as conceded on page 5 of the Office Action. Accordingly, the claimed method is not anticipated or suggested by Barnett.

Accordingly, for at least those reasons, none of Claims 41 - 43, 52, 53, 55 and 56 has been shown to be unpatentable in view of the cited references.

PATENT APPEAL  
Technology Center 2100

Application No. 09/274,281  
Attorney Docket No.: 99-006

#### 4. Section 103(a)

Independent Claim 38 is rejected as being obvious in light of Barnett.

##### 4.1. No Prima Facie Showing of Obviousness

The Examiner has based the rejection of claim 38 on an interpretation of Barnett that is unsupported by the record. Claim 38 has the limitations discussed above in Sections 3.1 through 3.3.3. Accordingly, claim 38 is likewise patentable over Barnett for at least the reasons discussed above in those sections.

##### 4.2. Official Notice was taken of the limitations of the claims

The Examiner also based the rejections of the claims of this Group on "Official Notice". Office Action, page 7. No evidence exists for the asserted subject matter, and no evidence exists for why one of ordinary skill in the art at the time of the invention would combine the asserted subject matter with Barnett in the manner proposed. Thus, no substantial evidence exists for either the limitations of claim 38 or a motivation to combine / modify the references of record in the manner proposed.

###### 4.2.1. Substantial Evidence is Required of All Factual Findings

In a determination of obviousness, factual findings as to scope and content of the prior art, level of ordinary skill in the art, differences between the claimed invention and the prior art, and secondary considerations of nonobviousness must be supported by substantial evidence.

Novamedix Distrib. Ltd. v. Dickinson, 175 F. Supp. 2d 8, 9 (D.D.C. 2001).

"[D]eficiencies of the cited references cannot be remedied by the Board's general conclusions about what is 'basic knowledge' or 'common sense.'" In re Zurko, 258 F.3d 1379, 1385, 59 USPQ2d 1693, 1697 (Fed. Cir. 2001); In re Lee, 277 F.3d 1338, 1344, 61 USPQ2d 1430, 1434 (Fed. Cir. 2002).

PATENT APPEAL  
Technology Center 2100

Application No. 09/274,281  
Attorney Docket No.: 99-006

#### **4.2.2. Absent Substantial Evidence, No Prima Facie Case Exists**

To reject claims in an application under section 103, an examiner must show an unrebutted *prima facie* case of obviousness. *In re Rouffet*, 149 F.3d 1350, 1355 (Fed. Cir. 1998).

The initial burden of presenting a *prima facie* case of obviousness is upon the examiner. *In re Oetiker*, 977 F.2d 1443, 1445 (Fed. Cir. 1992). If the examiner fails to establish a *prima facie* case, the rejection is improper and will be overturned. *In re Rijckaert*, 9 F.3d 1531, 1532 (Fed. Cir. 1993); *Novamedix Distrib. Ltd. v. Dickinson*, 175 F. Supp. 2d 8, 9 (D.D.C. 2001).

If examination at the initial stage does not produce a *prima facie* case of unpatentability, then **without more** the applicant is entitled to grant of the patent. *In re Oetiker*, 977 F.2d 1443, 1445 (Fed. Cir. 1992) (*emphasis added*).

#### **4.2.3. There is no "Official Notice" doctrine which overrules this need for substantial evidence support of a *prima facie* case**

The Examiner did not provide any evidence which supports the "official notice". For this reason, those unsupported assertions regarding the scope and content of the prior art clearly lack substantial evidence support. Thus, no *prima facie* case has ever been made, and without more, Appellants are entitled to a grant of patent.

#### **4.2.4. 'Official Notice' cannot be the basis for a rejection**

Officially-noted subject matter cannot be used as the basis for a rejection under Sections 102 or 103. Official Notice may be used, if at all, only to clarify the meaning of a reference. See, e.g., *In re Ahlert*, 424 F.2d 1088 (C.C.P.A. 1969) ("Typically, it is found necessary to take notice of facts which may be used to supplement or clarify the teaching of a reference disclosure, perhaps to justify or explain a particular inference to be drawn from the reference teaching.") (*emphasis added*).

In other words, official notice of what existed in the prior art is not permitted. A reference must be provided to show the scope and content of the prior art. See, e.g., *In re Ahlert*, 424 F.2d 1088 (C.C.P.A. 1969) ("Assertions of technical facts in areas of esoteric technology

PATENT APPEAL  
Technology Center 2100

Application No. 09/274,281  
Attorney Docket No.: 99-006

must always be supported by citation to some reference work recognized as standard in the pertinent art and the appellant given, in the Patent Office, the opportunity to challenge the correctness of the assertion or the notoriety or repute of the cited reference. ... Allegations concerning specific 'knowledge' of the prior art, which might be peculiar to a particular art should also be supported and the appellant similarly given the opportunity to make a challenge.") (emphasis added); *In re Fynde*, 480 F.2d 1364 (C.C.P.A. 1973) ("[W]e reject the notion that judicial or administrative notice may be taken of the state of the art. Facts constituting the state of the art in a patent case are normally subject to the possibility of rational disagreement among reasonable men, and are not amenable to the taking of judicial or administrative notice.") (emphasis added); *In re Pardo*, 684 F.2d 912 (C.C.P.A. 1982) ("[T]his court will always construe [the rule permitting judicial notice] narrowly and will regard facts found in such manner with an eye toward narrowing the scope of any conclusions to be drawn therefrom. Assertions of technical facts in areas of esoteric technology must always be supported by citation to some reference work recognized as standard in the pertinent art.") (emphasis added)

Accordingly, for at least those reasons, Claim 38 has not been shown to be unpatentable in view of the cited references.

PATENT APPEAL  
Technology Center 2100

Application No. 09/274,281  
Attorney Docket No.: 99-006

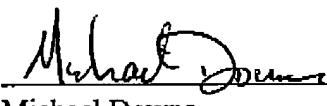
## CONCLUSION

Thus, the Examiner's rejection of the pending claims are is improper at least because all pending claims are definite. In addition, the references, alone or in combination, do not disclose or suggest all the limitations of any claim. In addition, in the obviousness rejections the Examiner has improperly combined the references because there is no adequate reasoning or support in the prior art for making the proposed combination. Therefore, Appellants respectfully request that the Examiner's rejections be reversed.

If any issues remain, or if there are any further suggestions for expediting allowance of the present application, please contact Dean Alderucci using the information provided below.

Respectfully submitted,

April 28, 2006  
Date

  
\_\_\_\_\_  
Michael Downs  
Attorney for Appellants  
Registration No. 50,252  
mdowns@walkerdigital.com  
(203) 461-7292 /voice  
(203) 461-7300 /fax

PATENT APPEAL  
Technology Center 2100

Application No. 09/274,281  
Attorney Docket No.: 99-006

## APPENDIX A

Claims 13 – 30, 38, 41 – 43, 52 – 53 and 55 – 56 are pending.  
Claims 13, 38, 41, 43, 52, 53, 55 and 56 are independent.

13. A method, comprising the steps of:

receiving an indication of at least one item that a customer is to purchase from a first vendor via a web site;

selecting a subsidy from a plurality of subsidies;

transmitting, in response to the received indication of the at least one item, an indication of an offer for the subsidy from a second vendor, the step of transmitting an indication of the offer being performed before the at least one item is purchased;

receiving an indication that that the customer accepts the offer;

receiving a first amount of funds from the second vendor;

providing a second amount of funds to the first vendor; and

facilitating a transaction between the customer and the second vendor.

14. The method of claim 13, in which the step of selecting a subsidy from a plurality of subsidies comprises:

selecting a vendor from a plurality of vendors; and

selecting a subsidy from the selected vendor.

PATENT APPEAL  
Technology Center 2100

Application No. 09/274,281  
Attorney Docket No.: 99-006

15. The method of claim 13, in which the step of selecting a subsidy from a plurality of subsidies comprises:

selecting a subsidy from a plurality of subsidies based on the at least one item.

16. The method of claim 15, in which the step of selecting a subsidy from a plurality of subsidies comprises:

selecting a subsidy from a plurality of subsidies based on a price of the at least one item.

17. The method of claim 13, in which the step of selecting a subsidy from a plurality of subsidies comprises:

selecting at least two subsidies from a plurality of subsidies based on the at least one item.

18. The method of claim 13, in which the step of transmitting an indication of the offer for the subsidy from the second vendor comprises:

transmitting an indication of at least two offers for subsidies from a second vendor.

19. The method of claim 18, further comprising:

receiving from the customer a selection of at least one offer of the at least two offers.

PATENT APPEAL  
Technology Center 2100

Application No. 09/274,281  
Attorney Docket No.: 99-006

20. The method of claim 13, in which the step of receiving the first amount of funds from the second vendor comprises:

charging the first amount to an account corresponding to the second vendor.

21. The method of claim 13, in which the step of receiving the first amount of funds from the second vendor comprises:

initiating a transfer of funds from an account corresponding to the second vendor.

22. The method of claim 13, in which the step of providing the second amount of funds to the first vendor comprises:

crediting an account corresponding to the first vendor.

23. The method of claim 13, in which the step of providing the second amount of funds to the first vendor comprises:

initiating a transfer of funds to an account corresponding to the first vendor.

PATENT APPEAL  
Technology Center 2100

Application No. 09/274,281  
Attorney Docket No.: 99-006

24. The method of claim 13, in which the step of transmitting an indication of an offer comprises:

transmitting an indication of an offer for a subsidy from a plurality of vendors;  
and in which the step of receiving a first amount of funds from the second vendor comprises:  
receiving a portion of the first amount of funds from each of the plurality of vendors;  
and in which the step of facilitating a transaction comprises:  
facilitating transactions between the customer and the plurality of vendors.

25. The method of claim 13, in which the step of receiving the first amount of funds from the second vendor comprises:

charging a third amount to a first account corresponding to the second vendor; and  
charging a fourth amount to a second account corresponding to a third vendor,  
in which the first amount is a sum of the third amount and the fourth amount.

26. The method of claim 13, in which the step of receiving the first amount of funds from the second vendor comprises:

initiating a transfer of a third amount of funds from a first account corresponding to the second vendor; and  
initiating a transfer of a fourth amount of funds from a second account corresponding to a third vendor,  
in which the first amount is a sum of the third amount and the fourth amount.

PATENT APPEAL  
Technology Center 2100

Application No. 09/274,281  
Attorney Docket No.: 99-006

27. The method of claim 13, further comprising:

calculating the second amount of funds based on the first amount of funds.

28. The method of claim 13, in which the second amount of funds is based on a predetermined amount less than the first amount of funds.

29. The method of claim 13, in which the second amount of funds is based on a predetermined percentage of the first amount of funds.

30. The method of claim 13, in which the indication of the offer for the subsidy comprises:  
an indication of a subsidy amount, and  
an indication of a transaction the customer is required to perform in exchange for receiving the subsidy amount.

PATENT APPEAL  
Technology Center 2100

Application No. 09/274,281  
Attorney Docket No.: 99-006

38. A method, comprising the steps of:

transmitting an indication of at least one item that a customer is to purchase, the at least one item having an associated total price;

receiving, in response to the transmitted indication of the at least one item, an indication of an offer for a subsidy from a vendor;

providing to the customer, in response to the received indication of the offer, the offer for the subsidy, the step of providing the offer being performed before the item is purchased;

receiving from the customer an acceptance of the offer;

transmitting an indication of the acceptance of the offer;

charging the customer a second price for the at least one item, the second price being less than the total price;

in which the step of charging the customer the second price for the at least one item comprises:

charging the second price to an account; and

in which the step of charging comprises:

charging the total price to a credit card account.

PATENT APPEAL  
Technology Center 2100

Application No. 09/274,281  
Attorney Docket No.: 99-006

41. A method comprising:

transmitting an indication of at least one item that a customer is to purchase, the at least one item having an associated total price;

receiving, in response to the transmitted indication of the at least one item, an indication of an offer for a subsidy from a vendor;

providing to the customer, in response to the received indication of the offer, the offer for the subsidy, the step of providing the offer being performed before the item is purchased;

receiving from the customer an acceptance of the offer;

transmitting an indication of the acceptance of the offer;

charging the customer a second price for the at least one item, the second price being less than the total price; and

receiving an amount of funds from the vendor.

42. The method of claim 41, in which the amount of funds is based on a difference between the second price and the total price.

PATENT APPEAL  
Technology Center 2100

Application No. 09/274,281  
Attorney Docket No.: 99-006

43. A method comprising:

transmitting an indication of at least one item that a customer is to purchase, the at least one item having an associated total price;

receiving, in response to the transmitted indication of the at least one item, an indication of an offer for a subsidy from a vendor;

providing to the customer, in response to the received indication of the offer, the offer for the subsidy, the step of providing the offer being performed before the item is purchased;

receiving from the customer an acceptance of the offer;

transmitting an indication of the acceptance of the offer;

charging the customer a second price for the at least one item, the second price being less than the total price; and

receiving an amount of funds from a party other than the customer.

PATENT APPEAL  
Technology Center 2100

Application No. 09/274,281  
Attorney Docket No.: 99-006

52. A method comprising:

transmitting an indication of at least one item that a customer is to purchase, the at least one item having an associated total price;

receiving, in response to the transmitted indication of the at least one item, an indication of a plurality of offers for subsidies from a vendor;

sequentially providing to the customer, in response to the received indication of the offers, the offers for the subsidies,

the step of sequentially providing the offers being performed before the item is purchased,

the step of sequentially providing the offers including  
providing a first offer of the plurality of offers to the customer,  
receiving from the customer a rejection of the first offer, and  
providing a second offer of the plurality of offers to the customer after receiving  
the rejection;

receiving from the customer an acceptance of the offer;  
transmitting an indication of the acceptance of the offer; and  
charging the customer a second price for the at least one item, the second price being less than the total price.

PATENT APPEAL  
Technology Center 2100

Application No. 09/274,281  
Attorney Docket No.: 99-006

53. A method comprising:

transmitting an indication of at least one item that a customer is to purchase, the at least one item having an associated total price;

receiving, in response to the transmitted indication of the at least one item, an indication of a plurality of offers for subsidies from a vendor;

ascertaining a rank of each offer of the plurality of offers;

sequentially providing to the customer, in response to the received indication of the offers, the offers for the subsidies in a sequence defined by the rank of each offer;

the step of sequentially providing the offers being performed before the item is purchased;

receiving from the customer an acceptance of the offer;

transmitting an indication of the acceptance of the offer; and

charging the customer a second price for the at least one item, the second price being less than the total price.

PATENT APPEAL  
Technology Center 2100

Application No. 09/274,281  
Attorney Docket No.: 99-006

55. A method comprising:

transmitting an indication of at least one item that a customer is to purchase, the at least one item having an associated total price;

receiving, in response to the transmitted indication of the at least one item, an indication of a plurality of offers for a subsidies from a vendor;

providing to the customer, in response to the received indication of the offer, the offer for the subsidy, the step of providing the offer being performed before the item is purchased, the step of providing including

selecting at least one offer based on a historical acceptance rate of each offer of the plurality of offers, and

providing to the customer the selected at least one offer;

receiving from the customer an acceptance of the offer;

transmitting an indication of the acceptance of the offer; and

charging the customer a second price for the at least one item, the second price being less than the total price.

PATENT APPEAL  
Technology Center 2100

Application No. 09/274,281  
Attorney Docket No.: 99-006

56. A method comprising:

transmitting an indication of at least one item that a customer is to purchase, the at least one item having an associated total price;

receiving, in response to the transmitted indication of the at least one item, an indication of a plurality of offers for a subsidy from a vendor;

providing to the customer, in response to the received indication of the offer, the offer for the subsidy, the step of providing the offer being performed before the item is purchased, the step of providing including

selecting at least one offer based on a profit of each offer of the plurality of offers,  
and

providing to the customer the selected at least one offer;  
receiving from the customer an acceptance of the offer;  
transmitting an indication of the acceptance of the offer; and  
charging the customer a second price for the at least one item, the second price being less than the total price.

*PATENT APPEAL*  
Technology Center 2100

Application No. 09/274,281  
Attorney Docket No.: 99-006

## APPENDIX B

### EVIDENCE

<NONE>

04/28/2006 12:59 FAX 203 461 7300  
*ENCL: APPENDIX*  
Technology Center 2100

WALKER DIGITAL

051

Application No. 09/274,281  
Attorney Docket No.: 99-006

**APPENDIX C**

**RELATED PROCEEDINGS**

<NONE>